

# **State of Alaska FY2005 Governor's Operating Budget**

## **Department of Health and Social Services Senior and Disabilities Medicaid Services Component Budget Summary**

## Contents

<i>Component: Senior and Disabilities Medicaid Services</i> .....	3
Component Financial Summary.....	5
Summary of Component Budget Changes.....	6

## Component: Senior and Disabilities Medicaid Services

### Contribution to Department's Mission

To maximize the services available to all Alaskans who are entitled to Medicaid services.

### Core Services

This component provides funding for Medicaid services provided to 3,323 Alaskans who may be developmentally disabled children, adults with disabilities, or elderly Alaskans. Many of these services are provided through waivers which allow the individuals to receive services in a non-institutional setting. In FY2003:

- 1) 931 individuals with mental retardation and developmental disabilities received services as a waiver who would have otherwise would have received care in an institution for the mentally retarded.
- 2) 199 technology dependent children received services through the Children with Chronic Medical Conditions Waiver who otherwise would have received care in a nursing home.
- 3) 858 adults received services through the Adults with Physical Disabilities Waiver who otherwise would have received care in a nursing home.
- 4) 1,335 adults aged 65+ received services through the Older Alaskans Waiver rather than receiving them through a nursing home.

A monthly average of 514 individuals received services through this components Nursing Home Program.

### FY2005 Resources Allocated to Achieve Results

**FY2005 Component Budget: \$191,291,200**

**Personnel:**

Full time	0
Part time	0
<b>Total</b>	<b>0</b>

### Key Component Challenges

Maintain services while containing costs.

DHSS has reorganized in part to restructure the way we use Medicaid funding for our programs and to maximize federal funding for our services. This component was created to provide integration of Medicaid programmatic and financial responsibility for senior and disability services in the BRU whose customers are the major users of those services. This component was created to provide integration of Medicaid programmatic and financial responsibility for senior and disability services in the RDU whose customers are the major users of those services.

### Significant Changes in Results to be Delivered in FY2005

Budget changes in this component will require that the division actively implement cost containment measures to ensure that only eligible individuals receive only the services necessary for them to lead independent, productive lives.

### Major Component Accomplishments in 2003

- Conducted a Medicaid Waiver consumer satisfaction survey that included 170 personal interviews of OA/APD Waiver clients.
- Began expansion of the quality assurance (QA) role to include investigations, utilization reviews, and financial recoupment.

- Decertified two Medicaid waiver providers.
- Responded to over 100 complaints about Medicaid Waiver provider service.

### Statutory and Regulatory Authority

AS 47.07 Medical Assistance for Needy Persons

AS 47.25 Public Assistance

Social Security Act:

Title XVIII Medicare

Title XIX Medicaid

Administrative Code:

7 AAC 43 Medicaid

Code of Federal Regulations:

Title 42 CFR Part 400 to End

Contact Information
<p><b>Contact:</b> Janet Clarke, Director, Administrative Services</p> <p><b>Phone:</b> (907) 465-1630</p> <p><b>Fax:</b> (907) 465-2499</p> <p><b>E-mail:</b> janet_clarke@health.state.ak.us</p>

### Senior and Disabilities Medicaid Services Component Financial Summary

*All dollars shown in thousands*

	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
<b>Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Contractual	0.0	0.0	0.0
74000 Supplies	0.0	0.0	0.0
75000 Equipment	0.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	183,544.5	191,291.2
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>0.0</b>	<b>183,544.5</b>	<b>191,291.2</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	0.0	111,220.5	116,459.2
1003 General Fund Match	0.0	72,324.0	74,832.0
<b>Funding Totals</b>	<b>0.0</b>	<b>183,544.5</b>	<b>191,291.2</b>

### Estimated Revenue Collections

Description	Master Revenue Account	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
<b><u>Unrestricted Revenues</u></b>				
None.		0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b><u>Restricted Revenues</u></b>				
Federal Receipts	51010	0.0	111,220.5	116,459.2
<b>Restricted Total</b>		<b>0.0</b>	<b>111,220.5</b>	<b>116,459.2</b>
<b>Total Estimated Revenues</b>		<b>0.0</b>	<b>111,220.5</b>	<b>116,459.2</b>

### Summary of Component Budget Changes From FY2004 Authorized to FY2005 Governor

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2004 Authorized</b>	<b>72,324.0</b>	<b>111,220.5</b>	<b>0.0</b>	<b>183,544.5</b>
<b>Adjustments which will continue current level of service:</b>				
-Transfer funds previously paid through RSA from HCS Medicaid State Programs	0.0	1,698.8	0.0	1,698.8
-Assisted Living Home Residents' Subsidies transferred from Adult Public Assistance	688.4	0.0	0.0	688.4
-Reverse time-limited tax-relief FMAP change of FY04	5,550.2	-5,550.2	0.0	0.0
<b>Proposed budget decreases:</b>				
-Cost Savings Realized from Older Alaskans/Adults with Physical Disabilities	-2,727.2	-4,090.8	0.0	-6,818.0
-Eliminate exceptional relief	-1,000.0	-1,355.0	0.0	-2,355.0
-Ch. 34, SLA 03 (SB 105) Second year eliminate cost of living adjstmnts for Nursing Homes & Home Community Based Waivers	-252.9	-537.5	0.0	-790.4
-Cost Study Savings for Medicaid Waivers	-2,894.0	-4,341.0	0.0	-7,235.0
-Reduce Respite Utilization	-3,180.0	-4,770.0	0.0	-7,950.0
-Limit Administrative and General Costs to 18%	-1,160.0	-1,740.0	0.0	-2,900.0
-Eliminate Respite and Personal Care Attendant Services in Assisted Living Homes	-400.0	-600.0	0.0	-1,000.0
-Increase Quality Assurance Audit and Review Activiites	-1,962.3	-2,943.4	0.0	-4,905.7
-Monitoring of Title III Grants	-600.0	-900.0	0.0	-1,500.0
-Continuation of FY 04 cost containment efforts	-411.1	0.0	0.0	-411.1
-Contract for Personal Care Attendant services	-2,615.9	-3,951.0	0.0	-6,566.9
-Nursing Homes - Utilize Preadmission Care Plan Counseling	-1,540.9	-2,459.1	0.0	-4,000.0
-Savings Realized through Regulations Changes involving Environmental Modifications and Special Medical Equipment	-1,773.8	-2,660.7	0.0	-4,434.5
<b>Proposed budget increases:</b>				
-Projected Medicaid Growth	16,787.5	37,874.1	0.0	54,661.6
-Tribal Refinancing of Senior Residential and DD Services	0.0	700.0	0.0	700.0
-Refinance Personal Care Attendant Grants through Medicaid	0.0	864.5	0.0	864.5

**Summary of Component Budget Changes  
From FY2004 Authorized to FY2005 Governor***All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2005 Governor</b>	<b>74,832.0</b>	<b>116,459.2</b>	<b>0.0</b>	<b>191,291.2</b>